

M. Dias Branco



Cannes  
**Lions**  **2023**

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# Earnings Release

## 2Q23 | 1H23

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August 11<sup>th</sup>, 2023



Eusébio (CE), August 11, 2023 – M. Dias Branco S.A. Indústria e Comércio de Alimentos (B3: MDIA3), leader in Brazil's cookies & crackers, pasta, granolas, healthy cookies and gluten-free breads markets, announces today its results for the second quarter of 2023 (2Q23) and first half of 2023 (1H23). The consolidated interim financial information has been developed pursuant to CPC 21 - Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

## MDIA3

### 2Q23 WEBINAR RESULTS August 14, 2023

#### Time:

> Portuguese | English  
11h00 (Brasília Time)  
10h00 (New York Time)

Zoom Meetings registration:

[Click Here](#)

Live on Youtube:

[Click Here](#)

#### Stock Price:

Closing on 08/09/2023  
MDIA3: R\$ 43.03 per share  
Market Cap: R\$ 14.6 billion

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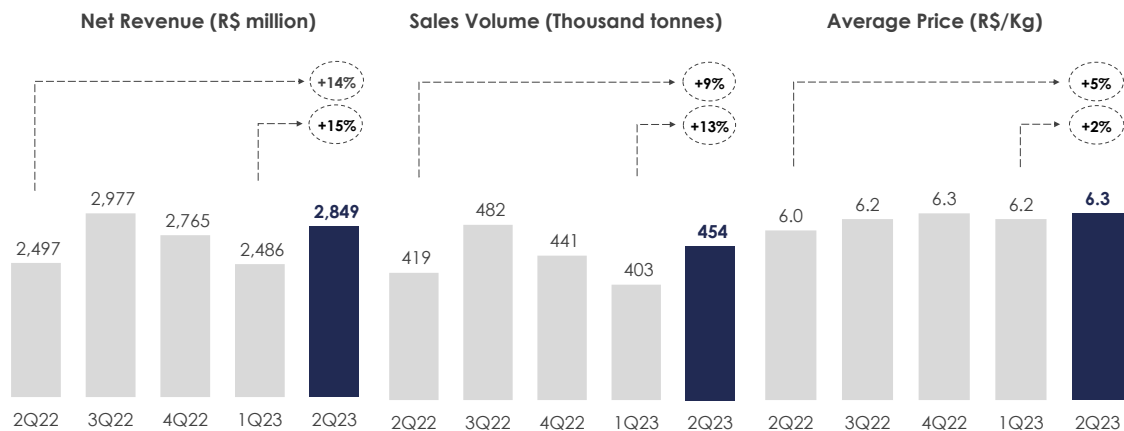
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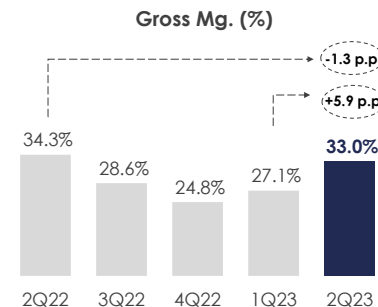
## 2Q23 | R\$512 million in operating cash, a new RECORD!!! Net Revenue grew 14% and EBITDA increased 5.5%

### SEMESTER | Net Income +6.1%, Net Revenue +21.6% and EBITDA +23.4%

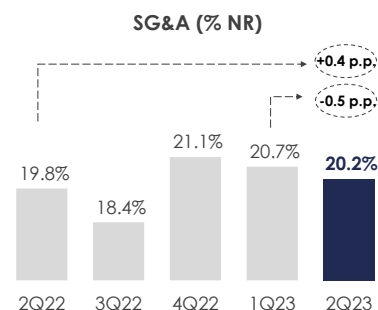
Net Revenue of R\$2.8 billion, with higher volumes and average prices compared to 2Q22 and 1Q23.



**Gross Margin of 33% in 2Q23 (+5.9 p.p. vs. 1Q23)**, resulting from the drop in variable costs (wheat and palm oil) and dilution of fixed costs with the 9 p.p. increase in the production capacity utilization rate (64.5% in 2Q23 vs. 55.5% in 1Q23).

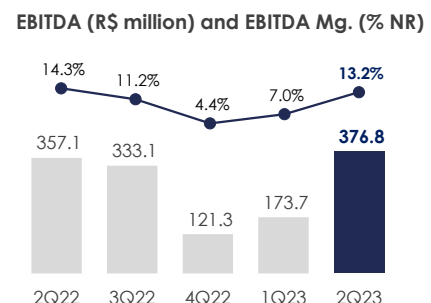


**SG&A as a percentage of net revenue was 20.2%**, in line with 2Q22 and 0.5 p.p. lower than in 1Q23, reiterating our commitment to controlling expenses.



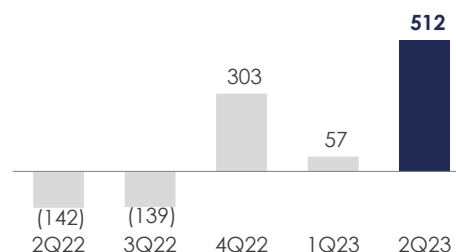
**EBITDA of R\$376.8 million in 2Q23**, up by 5.5% over 2Q22 and 116.9% higher than in 1Q23.

**EBITDA margin of 13.2%**, with an upward trend during the quarter, **10.4% in April, 13.3% in May and 15.6% in June**, arising from the recurring improvement in gross margin and sales performance.



**Net cash generated by operating activities totaled R\$512 million**, due to the improvement in results and releasing of working capital. With that, we ended the quarter with a cash balance of R\$1.2 billion (R\$0.6 billion in 2Q22 and R\$0.8 billion in 1Q23) and reduced our leverage (net debt/LTM EBITDA) to 1.2x (1.6x in 1Q23).

Net Cash Generated from Operating Activities (R\$ million)



**OTHER HIGHLIGHTS:**



**Two lions at the 2023 Cannes Lions Festival with the “Aceita cookies Piraquê” Campaign**

*The campaign that linked internet cookies with the chocolate chip cookies of our brand won in the Media and Creative Commerce categories.*



**M. Dias Branco was recognized in the Best of ESG 2023**

*Among the three best positioned companies in Guia EXAME - Best of ESG 2023, in the category Agribusiness, Food and Beverage category.*



**Participation in national and international fairs and events**

*We were present in national and international fair and events such as APAS Show (São Paulo, Brazil), Naturaltech (São Paulo, Brazil), Super Bahia (Salvador, Brazil), Summer Fancy Foods (USA) and ISM (Germany).*



**Commercial and Marketing Actions with the Piraquê brand**

*Preparing business plans with important clients nationwide and focusing on Piraquê, one of our main brands.*

See below the key consolidated results indicators for 2Q23, which include the results of Latinex, Jasmine and Las Acacias as of Nov/21, Sep/22 and Nov/22, respectively.

Financial and Operating Results	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
Net Revenue (R\$ million)	2,849.4	2,497.2	14.1%	2,485.5	14.6%	5,334.9	4,387.6	21.6%
Total Sales Volume (thousand tonnes)	454.1	418.5	8.5%	402.8	12.7%	856.9	794.0	7.9%
Cookies and Crackers Sales Volume (thousand tonnes)	133.1	132.1	0.8%	116.8	14.0%	249.9	239.7	4.3%
Pasta Sales Volume (thousand tonnes)	90.1	89.4	0.8%	79.3	13.6%	169.4	166.0	2.0%
Market Share of Cookies and Crackers (volume)*	32.0%	29.9%	2.1 p.p	32.6%	-0.6 p.p	32.4%	31.8%	0.6 p.p
Market Share of Pasta (volume)*	28.1%	31.0%	-2.9 p.p	31.7%	-3.6 p.p	29.9%	30.9%	-1 p.p
Net Income (R\$ million)	217.9	233.5	-6.7%	69.9	211.7%	287.8	271.3	6.1%
EBITDA (R\$ million)	376.8	357.1	5.5%	173.7	116.9%	550.5	446.0	23.4%
EBITDA Margin	13.2%	14.3%	-1.1 p.p	7.0%	6.2 p.p	10.3%	10.2%	0.1 p.p
Net Cash (Debt) (R\$ million)	-1,253.1	-1,171.7	6.9%	-1,602.7	-21.8%	-1,253.1	-1,171.7	6.9%
Net Cash (Debt) / EBITDA (last 12 months)	-1.2	-1.3	-7.7%	-1.6	-25.0%	-1.2	-1.3	-7.7%
Capex (R\$ million)	71.9	64.8	11.0%	45.2	59.1%	117.1	115.0	1.8%
Net Cash generated from operating activities	511.8	-141.8	n/a	56.8	n/a	568.6	-128.3	n/a

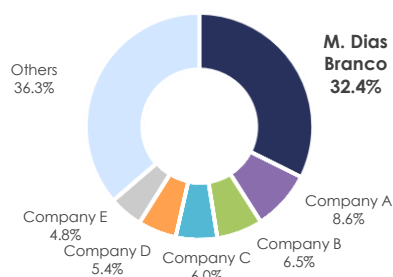
\* The values presented in 2Q23 and 2Q22 are from the period of May/June 2023 and 2022.  
The values presented in 1Q23 are from the period of Jan/Feb 2022.

## MARKET AND OPERATIONAL HIGHLIGHTS

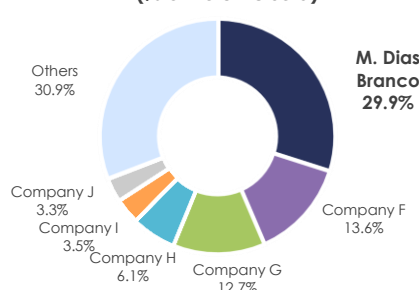
### MARKET SHARE

The charts below show the Brazilian market share (in % of sales volume) of M. Dias Branco, the national leader in the cookies & crackers and pasta markets, and its main competitors (from January to June 2023).

**Market Share Cookies and Crackers\* - Brazil**  
(% of volume sold)

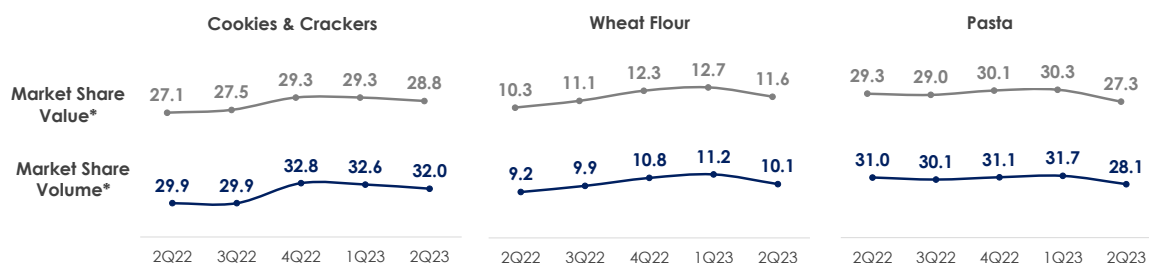


**Market Share Pasta\* - Brazil**  
(% of volume sold)



\*Source: Nielsen – Retail Index. Total Brazil. INA+C&C. Cookies and Crackers / Pasta.

As shown below, we increased our market share in the cookies & crackers and wheat flour categories versus 2Q22. In domestic wheat flour, our Finna brand is already the largest in Brazil in terms of share value and volume. The drop in market share for the pasta category resulted from two factors: a) our average price (sell-out Nielsen) increased by 20.2% in 1H23 vs. 1H22, while market prices increased by 17.9%; and b) packaging weight reduction in part of our portfolio, from 500g to 400g. Given the need to re-register these products, which is common in this type of process, we were negatively impacted in the market share calculation.



\* Source: Nielsen – Retail Index. Total Brazil. INA+C&C.

## SALES CHANNELS

Revenue recorded growth in all channels in 2Q23 vs. 2Q22, highlighting the higher share of Distributors, which continues to gain representativeness, in line with our strategy of increasing the distribution capillarity in the Attack region (South, Southeast and Mid-West).

Compared to 1Q23, the dynamics was the same, all channels increased revenue and volumes, highlighting Distributors.

Client Mix	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
Key Accounts / Regional Chains	22.2%	22.4%	-0.2 p.p	22.3%	-0.1 p.p	22.3%	22.1%	0.2 p.p
Cash and Carry	24.5%	23.6%	0.9 p.p	21.6%	2.9 p.p	23.1%	22.3%	0.8 p.p
Wholesale	16.6%	17.6%	-1 p.p	18.6%	-2 p.p	17.5%	18.2%	-0.7 p.p
Small Retail	17.4%	19.3%	-1.9 p.p	19.1%	-1.7 p.p	18.1%	20.4%	-2.3 p.p
Distributors	13.3%	11.3%	2 p.p	11.8%	1.5 p.p	12.6%	10.8%	1.8 p.p
Industry	2.8%	2.8%	0 p.p	3.2%	-0.4 p.p	3.0%	3.1%	-0.1 p.p
Other	3.2%	3.0%	0.2 p.p	3.4%	-0.2 p.p	3.4%	3.1%	0.3 p.p
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	

Note: Client mix, considering gross revenue excluding discounts and returns.

Major Clients		Sales 2Q23 (R\$ million)*	Gross revenue excluding discounts and returns (%)		Sales 1H23 (R\$ million)*	Gross revenue excluding discounts and returns (%)	
Sequence	Accumulated		Individual	Accumulated		Individual	Accumulated
Major Client	1	270.2	8.1%	8.1%	514.6	8.2%	8.2%
49 Subsequent	50	1,090.6	32.5%	40.6%	1,949.1	31.1%	39.3%
50 Subsequent	100	276.0	8.2%	48.8%	526.6	8.4%	47.7%
900 Subsequent	1,000	1,044.3	31.1%	79.9%	1,984.9	31.6%	79.3%
Other Clients	All clients	673.4	20.1%	100.0%	1,298.3	20.7%	100.0%
<b>TOTAL</b>		<b>3,354.5</b>			<b>6,273.5</b>		

\*Gross revenue excluding discounts and returns.

## PRODUCTION CAPACITY UTILIZATION RATE

In 2Q23, we increased the capacity utilization level to 64.5%, higher than 2Q22 and 1Q23, due to the rise in sales volumes.

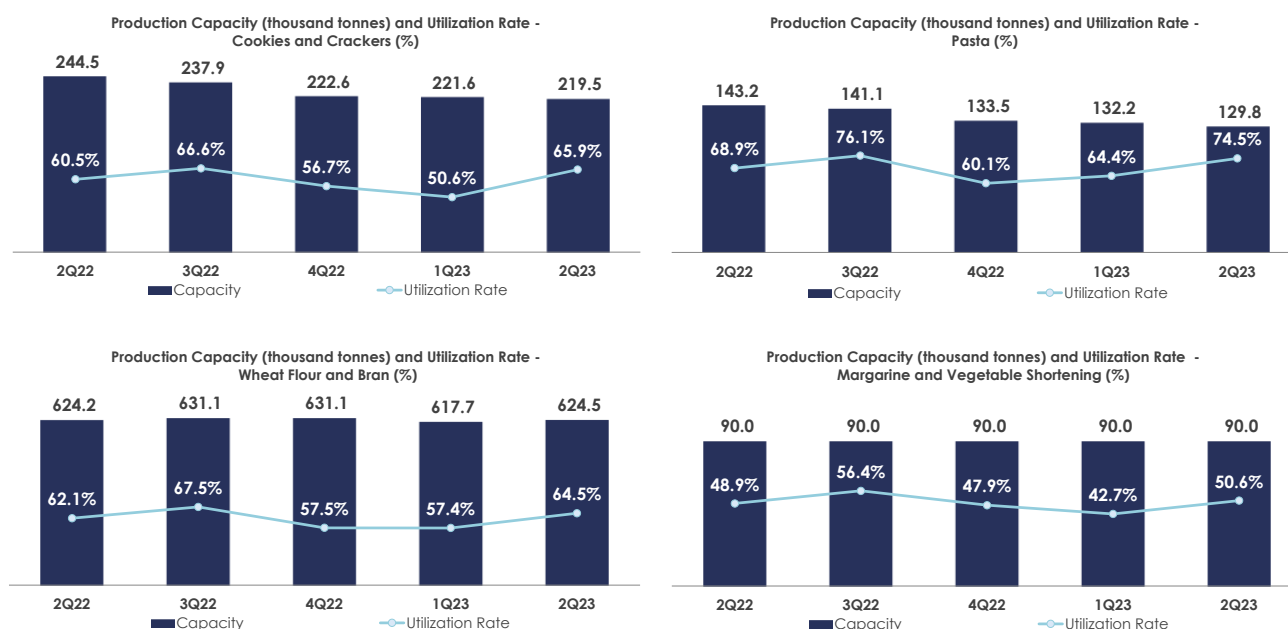
Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22	2Q23	2Q22
Total Production	144.7	147.9	96.7	98.7	402.6	387.6	45.5	44.0	6.2	5.2	695.7	683.4
Total Production Capacity	219.5	244.5	129.8	143.2	624.5	624.2	90.0	90.0	14.4	10.1	1,078.2	1,112.0
<b>Capacity Utilization</b>	<b>65.9%</b>	<b>60.5%</b>	<b>74.5%</b>	<b>68.9%</b>	<b>64.5%</b>	<b>62.1%</b>	<b>50.6%</b>	<b>48.9%</b>	<b>43.1%</b>	<b>51.5%</b>	<b>64.5%</b>	<b>61.5%</b>

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23	2Q23	1Q23
Total Production	144.7	112.2	96.7	85.2	402.6	354.8	45.5	38.4	6.2	5.6	695.7	596.2
Total Production Capacity	219.5	221.6	129.8	132.2	624.5	617.7	90.0	90.0	14.4	13.6	1,078.2	1,075.1
<b>Capacity Utilization</b>	<b>65.9%</b>	<b>50.6%</b>	<b>74.5%</b>	<b>64.4%</b>	<b>64.5%</b>	<b>57.4%</b>	<b>50.6%</b>	<b>42.7%</b>	<b>43.1%</b>	<b>41.2%</b>	<b>64.5%</b>	<b>55.5%</b>

Effective Production / Production Capacity*	Cookies and Crackers		Pasta		Wheat Flour and Bran		Margarine and Vegetable Shortening		Other products**		Total	
	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22	1H23	1H22
Total Production	256.9	259.4	181.9	177.1	757.4	720.1	83.9	81.9	11.8	9.0	1,291.9	1,247.5
Total Production Capacity	441.1	482.9	262.0	280.2	1,242.2	1,241.5	180.0	180.0	28.0	20.7	2,153.3	2,205.3
<b>Capacity Utilization</b>	<b>58.2%</b>	<b>53.7%</b>	<b>69.4%</b>	<b>63.2%</b>	<b>61.0%</b>	<b>58.0%</b>	<b>46.6%</b>	<b>45.5%</b>	<b>42.1%</b>	<b>43.5%</b>	<b>60.0%</b>	<b>56.6%</b>

\*Thousand tonnes.

\*\*Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.



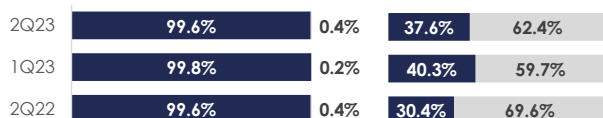
Note: Total production capacity refers to the maximum yield that can be extracted from the equipment considering the losses caused by maintenance stoppages, setup time, line clean-up, restrictions on the maximum number of shifts in the plants, etc.

## VERTICALIZATION

We maintained the high vertical integration level of the two main inputs. In 2Q23, 99.6% of wheat flour and 100.0% of vegetable shortening consumed were internally produced.



### Wheat flour



■ Own Production ■ External Source ■ Sale ■ Internal Consumption



### Vegetable shortening



■ Own Production ■ External Source ■ Sale ■ Internal Consumption

## ECONOMIC AND FINANCIAL HIGHLIGHTS

### NET REVENUE

In 2Q23, net revenue increased by 14.1% over 2Q22, due to rise in average price and sales volumes by 5.0% and 8.5%, respectively. We highlight: (i) increase in average price in the two main categories, cookies & crackers and pasta; (ii) higher volumes in all categories; and (iii) growth of 65.5% of revenue from “other products”, as a result of Latinex and Jasmine acquisitions, which introduced new categories with high added value products in our portfolio.

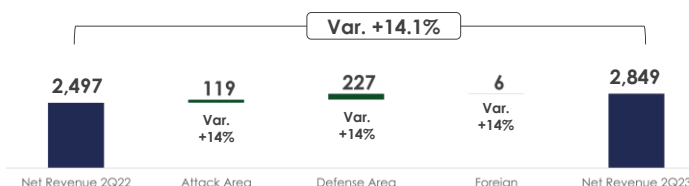
Segment	2Q23			2Q22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,466.4	133.1	11.02	1,303.1	132.1	9.86	12.5%	0.8%	11.8%
Pasta	589.8	90.1	6.55	534.6	89.4	5.98	10.3%	0.8%	9.5%
Wheat Flour and Bran	494.6	202.3	2.44	441.0	175.4	2.51	12.2%	15.3%	-2.8%
Margarine and Vegetable Shortening	178.6	21.5	8.31	146.0	17.0	8.59	22.3%	26.5%	-3.3%
Other products**	120.0	7.1	16.90	72.5	4.6	15.76	65.5%	54.3%	7.2%
<b>TOTAL</b>	<b>2,849.4</b>	<b>454.1</b>	<b>6.27</b>	<b>2,497.2</b>	<b>418.5</b>	<b>5.97</b>	<b>14.1%</b>	<b>8.5%</b>	<b>5.0%</b>

\*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

\*\*Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

By region, we recorded two-digit revenue growth in the Defense (North and Northeast) and Attack (South, Southeast, and Mid-West) regions.

Variation in Net Revenue by Regions 2Q23 vs. 2Q22 (R\$ million)



**Launches:** 16 products were launched, with highlights to the black malted Piraquê cookie, the wheat snacks *filezinho*, onion rings, and pepperoni under the Piraquê brand, and the zero sugar granola under the Jasmine brand.



**Investments in marketing and sales:** Highlight for the campaigns “Fortaleza 70 Anos”, “Q de Piraquê” with Ludmilla, “Parece igual, mas tem diferença” from Vitarella and “Tem Isabela, tem história pra contar”.



**Participation in events:** we were present in important national and international food fairs, such as APAS Show and Naturaltech (São Paulo, Brazil), Super Bahia (Salvador, Brazil), Summer Fancy Foods (USA) and ISM (Germany).





In 2Q23 vs. 1Q23, net revenue grew by 14.6% due to the increase in average price and sales volumes by 1.6% and 12.7%, respectively.

Segment	2Q23			1Q23			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	1,466.4	133.1	11.02	1,254.1	116.8	10.74	16.9%	14.0%	2.6%
Pasta	589.8	90.1	6.55	503.7	79.3	6.35	17.1%	13.6%	3.1%
Wheat Flour and Bran	494.6	202.3	2.44	476.1	183.2	2.60	3.9%	10.4%	-6.2%
Margarine and Vegetable Shortening	178.6	21.5	8.31	145.9	17.3	8.43	22.4%	24.3%	-1.4%
Other products**	120.0	7.1	16.90	105.7	6.2	17.05	13.5%	14.5%	-0.9%
<b>TOTAL</b>	<b>2,849.4</b>	<b>454.1</b>	<b>6.27</b>	<b>2,485.5</b>	<b>402.8</b>	<b>6.17</b>	<b>14.6%</b>	<b>12.7%</b>	<b>1.6%</b>

\*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

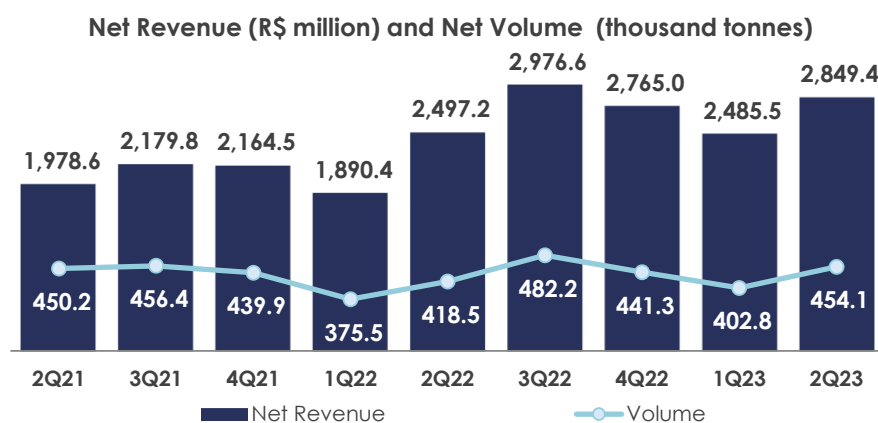
\*\*Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.

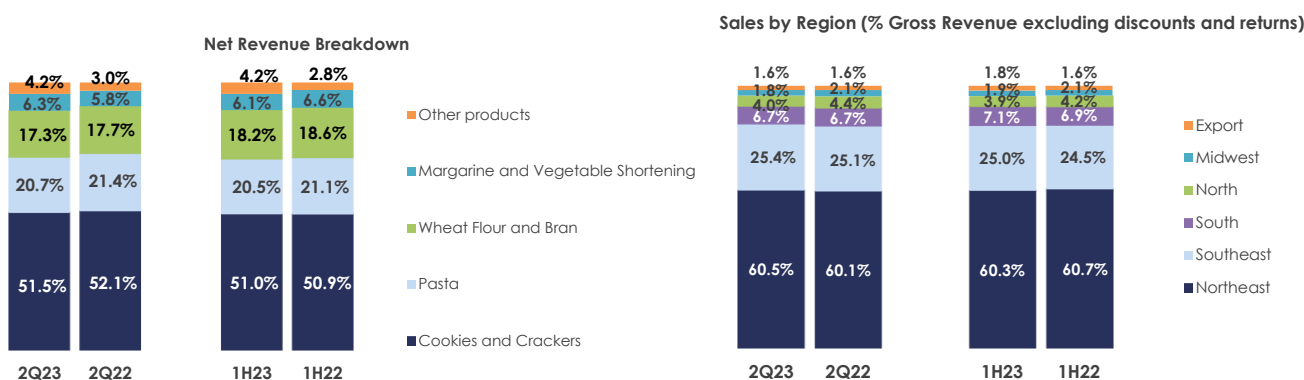
In 1H23 vs. 1H22, net revenue growth by 21.6% due to the rise in average price by 12.7% and sales volume 7.9% higher.

Segment	1H23			1H22			Variation		
	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price	Net Revenue	Weight	Average Price
Cookies and Crackers	2,720.5	249.9	10.89	2,236.1	239.7	9.33	21.7%	4.3%	16.7%
Pasta	1,093.5	169.4	6.46	924.5	166.0	5.57	18.3%	2.0%	16.0%
Wheat Flour and Bran	970.7	385.5	2.52	814.7	345.5	2.36	19.1%	11.6%	6.8%
Margarine and Vegetable Shortening	324.5	38.8	8.36	291.0	34.7	8.39	11.5%	11.8%	-0.4%
Other products**	225.7	13.3	16.97	121.3	8.1	14.98	86.1%	64.2%	13.3%
<b>TOTAL</b>	<b>5,334.9</b>	<b>856.9</b>	<b>6.23</b>	<b>4,387.6</b>	<b>794.0</b>	<b>5.53</b>	<b>21.6%</b>	<b>7.9%</b>	<b>12.7%</b>

\*Net revenue in R\$ million, weight excluding sales returns in thousand tonnes and net average price in R\$/Kg.

\*\*Cakes, snacks, cake mix, packaged toast, healthy products, sauces and seasonings.





## HIGHLIGHTS – COOKIES & CRACKERS | PASTA

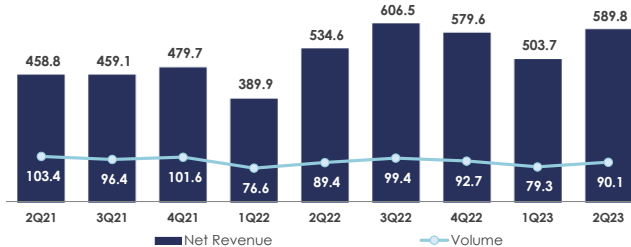
Net revenue grew in cookies & crackers and pasta in 2Q23 over 2Q22 and 1Q23, due to the average price increase and higher volumes. In the cookies category, the gross revenue from products/flavors launched in the last 24 months reached out R\$ 74.3 million in 2Q23, increasing 2.0% vs. 2Q22 and 35.5% higher vs. 1Q23, totaling 134 launches (121 in 2Q22 and 138 in 1Q23).

The performance of Piraquê should be noted, as its net revenue from cookies & crackers grew by 19% compared to 2Q22, higher than the 12.5% total cookies & crackers net revenue increase, due to the expansion strategy and launch of high added-value products.

Cookies and Crackers - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



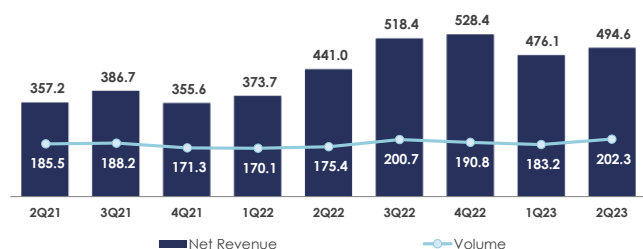
Pasta - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



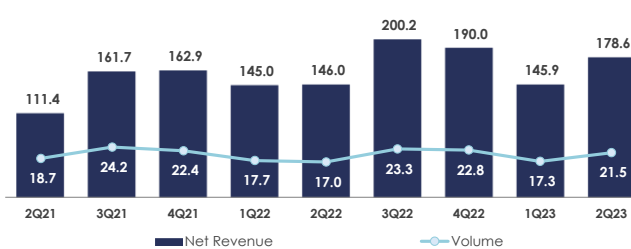
## HIGHLIGHTS – WHEAT FLOUR AND BRAN | MARGARINE AND VEGETABLE SHORTENING

In flour and bran and margarine and shortening, growth of net revenue in 2Q23 vs. 2Q22 and vs. 1Q23, due to the increase in sales volumes.

Wheat Flour and Bran - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



Margarine and Vegetable Shortening - Net Revenue (R\$ million) and Net Volume (thousand tonnes)



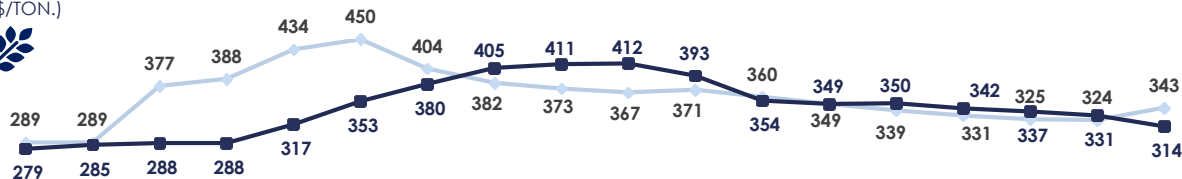
**COSTS**

COGS (R\$ million)	2Q23	% Net Rev.	2Q22	% Net Rev.	Variation	1Q23	% Net Rev.	Variation	1H23	% Net Rev.	1H22	% Net Rev.	Variation
<b>Raw material</b>	<b>1,448.8</b>	<b>50.8%</b>	<b>1,234.5</b>	<b>49.4%</b>	<b>17.4%</b>	<b>1,354.5</b>	<b>54.5%</b>	<b>7.0%</b>	<b>2,803.3</b>	<b>52.5%</b>	<b>2,268.5</b>	<b>51.7%</b>	<b>23.6%</b>
Wheat	890.0	31.2%	775.3	31.0%	14.8%	866.0	34.8%	2.8%	1,756.0	32.9%	1,434.9	32.7%	22.4%
Vegetable Oil	304.1	10.7%	267.8	10.7%	13.6%	275.7	11.1%	10.3%	579.8	10.9%	481.4	11.0%	20.4%
Sugar	76.2	2.7%	68.2	2.7%	11.7%	66.0	2.7%	15.5%	142.2	2.7%	128.2	2.9%	10.9%
Third Party Flour	2.3	0.1%	2.0	0.1%	15.0%	2.3	0.1%	0.0%	4.6	0.1%	3.3	0.1%	39.4%
Third Party Vegetable Shortening	0.1	0.0%	0.0	0.0%	n/a	0.0	0.0%	n/a	0.1	0.0%	0.1	0.0%	0.0%
Other	176.1	6.2%	121.2	4.9%	45.3%	144.5	5.8%	21.9%	320.6	6.0%	220.6	5.0%	45.3%
<b>Packages</b>	<b>173.2</b>	<b>6.1%</b>	<b>159.1</b>	<b>6.4%</b>	<b>8.9%</b>	<b>148.2</b>	<b>6.0%</b>	<b>16.9%</b>	<b>321.4</b>	<b>6.0%</b>	<b>287.1</b>	<b>6.5%</b>	<b>11.9%</b>
Labor	210.4	7.4%	169.3	6.8%	24.3%	206.8	8.3%	1.7%	417.2	7.8%	333.6	7.6%	25.1%
Indirect costs	167.4	5.9%	147.5	5.9%	13.5%	163.7	6.6%	2.3%	331.1	6.2%	280.7	6.4%	18.0%
Depreciation and amortization	52.6	1.8%	43.6	1.7%	20.6%	50.8	2.0%	3.5%	103.4	1.9%	88.7	2.0%	16.6%
Other	3.9	0.1%	16.3	0.7%	-76.1%	18.5	0.7%	-78.9%	22.4	0.4%	19.5	0.4%	14.9%
<b>Total</b>	<b>2,056.3</b>	<b>72.2%</b>	<b>1,770.3</b>	<b>70.9%</b>	<b>16.2%</b>	<b>1,942.5</b>	<b>78.2%</b>	<b>5.9%</b>	<b>3,998.8</b>	<b>75.0%</b>	<b>3,278.1</b>	<b>74.7%</b>	<b>22.0%</b>

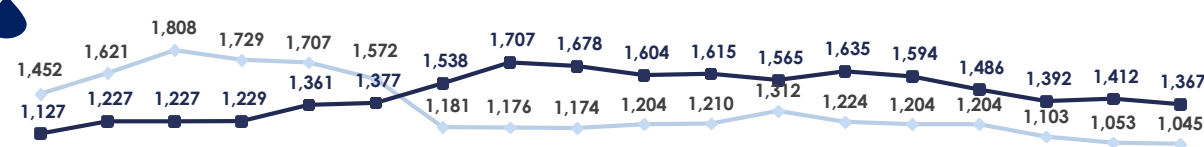
Costs represented 72.2% of net revenue in 2Q23 (70.9% in 2Q22 and 78.2% in 1Q23). The increase as a percentage of net revenue from 2Q22 was mainly due to higher commodity prices caused by the Russia-Ukraine conflict, which has been impacting our results since 3Q22. Compared to 1Q23, this representativeness fell 6.0 p.p., due to the decrease in variable costs given the drop in commodity prices, as observed in the charts below.

Average Purchase Price M. Dias Branco x Market Price

**WHEAT**  
(US\$/TON.)



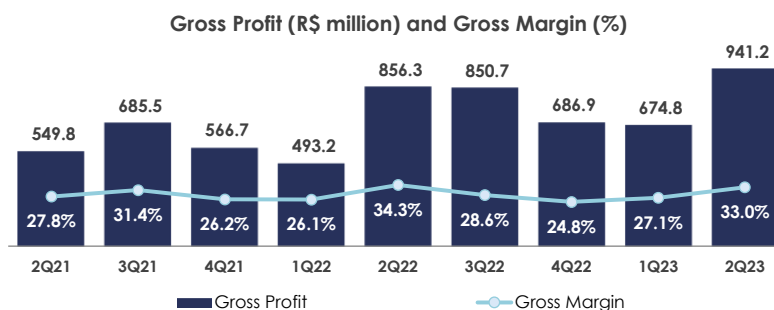
**PALM OIL**  
(US\$/TON.)



\*Source: Wheat - SAFRAS & Mercado; Palm oil - Rotterdam.

## GROSS PROFIT

Increase in gross profit in nominal terms of 9.9% vs. 2Q22 and 39.5% vs. 1Q23, reaching a gross margin of 33.0%, as a result of the decline in commodity prices vs. 1Q23 and growth of sales volumes by 8.5% vs. 2Q22 and 12.7% vs. 1Q23, as well as the increase in average price by 5.0% vs. 2Q22 and 1.6% vs. 1Q23.



Gross profit includes subsidies for state investments, which totaled R\$148.1 million in 2Q23 (R\$129.4 million in 2Q22), which are recorded in the income statement according to accounting pronouncement CPC 07 – Government Subsidies.

## OPERATING EXPENSES

To provide a better understanding of the changes in operating expenses, we report depreciation and amortization expenses and tax expenses separately, as shown below:

Operating Expenses (R\$ million)	2Q23	% Net Rev.	2Q22	% Net Rev.	Variation	1Q23	% Net Rev.	Variation	1H23	% Net Rev.	1H22	% Net Rev.	Variation
Selling*	492.4	17.3%	428.0	17.1%	15.0%	437.1	17.6%	12.7%	929.5	17.4%	780.6	17.8%	19.1%
Administrative	81.8	2.9%	67.0	2.7%	22.1%	76.2	3.1%	7.3%	158.0	3.0%	128.1	2.9%	23.3%
<b>SELLING AND ADMINISTRATIVE EXPENSES TOTAL</b>	<b>574.2</b>	<b>20.2%</b>	<b>495.0</b>	<b>19.8%</b>	<b>16.0%</b>	<b>513.3</b>	<b>20.7%</b>	<b>11.9%</b>	<b>1,087.5</b>	<b>20.4%</b>	<b>908.7</b>	<b>20.7%</b>	<b>19.7%</b>
Donations	7.2	0.3%	5.8	0.2%	24.1%	10.7	0.4%	-32.7%	17.9	0.3%	10.2	0.2%	75.5%
Taxes	8.2	0.3%	8.3	0.3%	-1.2%	8.0	0.3%	2.5%	16.2	0.3%	14.2	0.3%	14.1%
Depreciation and amortization	37.1	1.3%	31.2	1.2%	18.9%	36.8	1.5%	0.8%	73.9	1.4%	63.5	1.4%	16.4%
Other operating expenses/(revenue)	26.5	0.9%	33.2	1.3%	-20.2%	19.1	0.8%	38.7%	45.6	0.9%	57.4	1.3%	-20.6%
<b>TOTAL</b>	<b>653.2</b>	<b>22.9%</b>	<b>573.5</b>	<b>23.0%</b>	<b>13.9%</b>	<b>587.9</b>	<b>23.7%</b>	<b>11.1%</b>	<b>1,241.1</b>	<b>23.3%</b>	<b>1,054.0</b>	<b>24.0%</b>	<b>17.8%</b>

\*Salaries and benefits, freight and other expenses with marketing, sales force and logistics.

SG&A as a percentage of net revenue was 20.2% in 2Q23, up by 0.4 p.p. vs. the same period of the previous year. In nominal terms, this line increased by 16.0%. The increase resulted from the 8.5% rise in sales volumes, collective bargaining on salaries, inflation, inclusion of operating expenses of acquired companies, and investments in Marketing and Trade Marketing, mainly for the Piraquê, Vitarella and Isabela brands.

Compared to 1Q23, SG&A increased by 11.9%, following the increase in sales volumes by 12.7%.

## FINANCIAL RESULT

Financial Result (R\$ million)	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
Financial Revenue	113.0	71.4	58.3%	84.2	34.2%	197.2	204.1	-3.4%
Financial Expenses	-168.0	-98.4	70.7%	-142.3	18.1%	-310.3	-264.4	17.4%
<b>TOTAL</b>	<b>-55.0</b>	<b>-27.0</b>	<b>103.7%</b>	<b>-58.1</b>	<b>-5.3%</b>	<b>-113.1</b>	<b>-60.3</b>	<b>87.6%</b>

In 2Q23, we reported a negative result of R\$55.0 million (R\$ 27.0 million in 2Q22). The increase is due to higher indebtedness, which moved up from R\$1.7 billion to R\$ 2.4 billion, and to the higher cost of the debt, mainly by the rise in the CDI rate.

Compared to 1Q23, we reported improvement in the financial result with the drop in the CDI rate.

## TAXES ON INCOME

In 2Q23, R\$14.2 million provision for income tax and social contribution (R\$21.8 million in 2Q22). We closed the 1H23 with deferred income tax and social contribution of R\$27.7 million, compared to R\$37.8 million in 1H22.

Income and Social Contribution Taxes (R\$ million)	2Q23	2Q22	Variation	1H23	1H22	Variation
Income and Social Contribution Taxes	14.2	21.8	-35.0%	-27.7	-38.3	-27.7%
Income Tax Incentive	0.0	0.0	n/a	0.0	0.5	-100.0%
<b>TOTAL</b>	<b>14.2</b>	<b>21.8</b>	<b>-35.0%</b>	<b>-27.7</b>	<b>-37.8</b>	<b>-26.7%</b>

## GOODWILL

As of 2020, due to the merger of Piraquê, approved on December 27, 2019, the Company began the tax amortization of goodwill arising from the acquisition, currently totaling R\$230.5 million, which will be amortized over a minimum period of five years. This amount considers the effectively paid portion of the acquisition price (acquisition price of R\$1.5 billion, less the retained portion of the acquisition price of R\$123.2 million). However, we expect to fully use the transaction goodwill, in the amount of R\$361.6 million. In 2Q23, the Company recorded R\$3.9 million in tax benefit from amortization. This amount was R\$7.8 million in 1H23.

## EBITDA AND NET INCOME

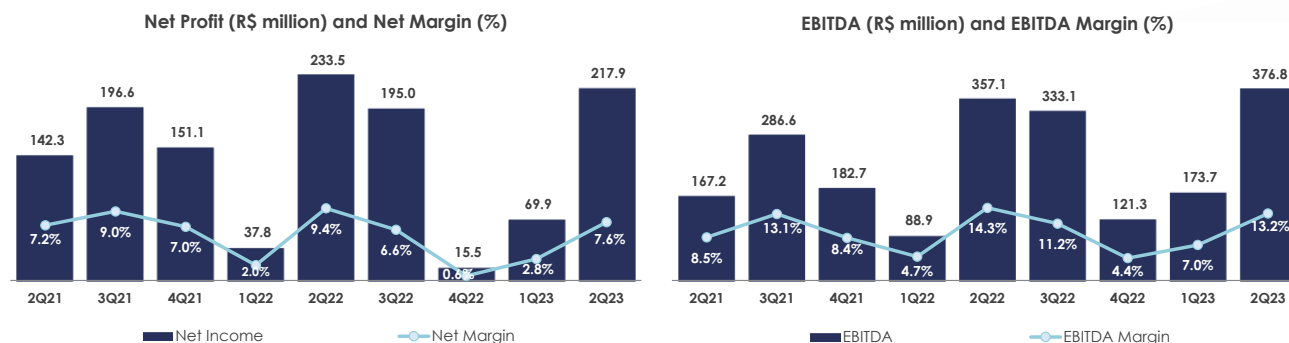
We closed 2Q23 with EBITDA of R\$376.8 million (increase by 5.5% vs. 2Q22 and 116.9% vs. 1Q23), EBITDA margin of 13.2% (14.3% in 2Q22 and 7.0% in 1Q23) and net income of R\$217.9 million (R\$ 233.5 million in 2Q22 and R\$69.9 million in 1Q23).

### EBITDA – NET INCOME

EBITDA CONCILIATION (R\$ million)	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
<b>Net Profit</b>	<b>217.9</b>	<b>233.5</b>	<b>-6.7%</b>	<b>69.9</b>	<b>211.7%</b>	<b>287.8</b>	<b>271.3</b>	<b>6.1%</b>
Income Tax and Social Contribution	14.2	21.8	-34.9%	-41.9	n/a	-27.7	-38.3	-27.7%
Income Tax Incentive	0.0	0.0	n/a	0.0	n/a	0.0	0.5	-100.0%
Financial Revenue	-113.0	-71.4	58.3%	-84.2	34.2%	-197.2	-204.1	-3.4%
Financial Expenses	168.0	98.4	70.7%	142.3	18.1%	310.3	264.4	17.4%
Depreciation and Amortization of cost of goods	52.6	43.6	20.6%	50.8	3.5%	103.4	88.7	16.6%
Depreciation and Amortization of expenses	37.1	31.2	18.9%	36.8	0.8%	73.9	63.5	16.4%
<b>EBITDA</b>	<b>376.8</b>	<b>357.1</b>	<b>5.5%</b>	<b>173.7</b>	<b>116.9%</b>	<b>550.5</b>	<b>446.0</b>	<b>23.4%</b>
<b>EBITDA Margin</b>	<b>13.2%</b>	<b>14.3%</b>	<b>-1.1 p.p</b>	<b>7.0%</b>	<b>6.2 p.p</b>	<b>10.3%</b>	<b>10.2%</b>	<b>0.1 p.p</b>

### EBITDA – NET REVENUE

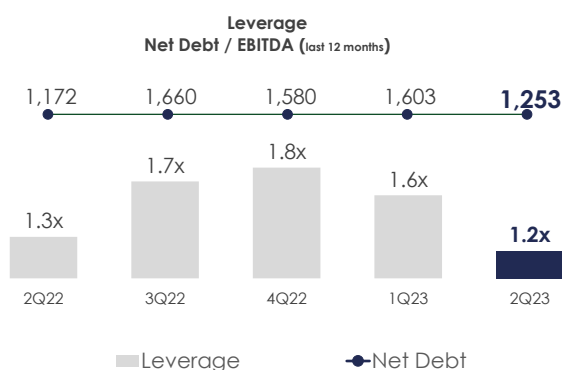
EBITDA CONCILIATION (R\$ million)	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
<b>Net Revenue</b>	<b>2,849.4</b>	<b>2,497.2</b>	<b>14.1%</b>	<b>2,485.5</b>	<b>14.6%</b>	<b>5,334.9</b>	<b>4,387.6</b>	<b>21.6%</b>
Cost of goods sold	-2,056.3	-1,770.3	16.2%	-1,942.5	5.9%	-3,998.8	-3,278.1	22.0%
Depreciation and Amortization of cost of goods	52.6	43.6	20.6%	50.8	3.5%	103.4	88.7	16.6%
Tax Incentive (ICMS)	148.1	129.4	14.5%	131.8	12.4%	279.9	240.0	16.6%
Operating Expenses	-653.2	-573.5	13.9%	-587.9	11.1%	-1,241.1	-1,054.0	17.8%
Equity in net income of subsidiaries	-0.9	-0.5	80.0%	-0.8	12.5%	-1.7	-1.7	0.0%
Depreciation and Amortization of expenses	37.1	31.2	18.9%	36.8	0.8%	73.9	63.5	16.4%
<b>EBITDA</b>	<b>376.8</b>	<b>357.1</b>	<b>5.5%</b>	<b>173.7</b>	<b>116.9%</b>	<b>550.5</b>	<b>446.0</b>	<b>23.4%</b>
<b>EBITDA Margin</b>	<b>13.2%</b>	<b>14.3%</b>	<b>-1.1 p.p</b>	<b>7.0%</b>	<b>6.2 p.p</b>	<b>10.3%</b>	<b>10.2%</b>	<b>0.1 p.p</b>



## DEBT, CAPITALIZATION AND CASH

The Company closed 2Q23 with a cash position of R\$1.2 billion (R\$0.6 billion in 2Q22 and R\$0.8 billion in 1Q23). The leverage (net debt/LTM EBITDA) was 1.2x (1.3x in 2Q22 and 1.6x in 1Q23).

Capitalization (R\$ million)	6/30/2023	6/30/2022	Variation
Cash	1,212.4	602.0	101.4%
Linked deposits	5.1	54.1	-90.6%
Financial Investments Short Term	17.0	16.6	2.4%
Financial Investments Long Term	1.6	2.1	-23.8%
<b>Total Indebtedness</b>	<b>-2,385.2</b>	<b>-1,730.2</b>	<b>37.9%</b>
(-) Short Term	-792.0	-106.9	n/a
(-) Long Term	-1,593.2	-1,623.3	-1.9%
<b>(-) Derivatives Financial Instruments</b>	<b>-104.0</b>	<b>-116.3</b>	<b>-10.6%</b>
<b>(=) Net Cash (Net Debt)</b>	<b>-1,253.1</b>	<b>-1,171.7</b>	<b>6.9%</b>
Shareholder's Equity	6,996.8	6,544.0	6.9%
<b>Capitalization</b>	<b>9,382.0</b>	<b>8,274.2</b>	<b>13.4%</b>



In 2Q23, 67% of the debt was in the long term, and we maintained the Rating AAA Stable Outlook, reaffirmed by Fitch for the 5th consecutive year.

Consolidated Debt (R\$ million)	Index	Interest (year)	6/30/2023	% Debt	6/30/2022	% Debt	Variation
<b>Domestic Currency:</b>			<b>1,489.9</b>	<b>62.5%</b>	<b>1,202.7</b>	<b>69.5%</b>	<b>23.9%</b>
BNDES - FINAME	TJLP	2.17%	4.2	0.2%	8.2	0.5%	-48.8%
BNDES - PSI	R\$	3.51% (3.09% on 06/30/22)	4.0	0.2%	28.1	1.6%	-85.8%
BNDES - FINEM	IPCA	8.73% (8.66% on 06/30/22)	11.9	0.5%	21.5	1.2%	-44.7%
BNDES - PROGEREN	IPCA	6.28%	0.0	0.0%	24.1	1.4%	-100.0%
(PROVIN) Financing of state taxes	100% TJLP	-	28.0	1.2%	17.6	1.0%	59.1%
(FUNDOPEM) Financing of state taxes	IPCA/IBGE	-	8.3	0.3%	4.4	0.3%	88.6%
Working Capital	100% CDI	0.76%	111.7	4.7%	0.0	0.0%	n/a
Working Capital	IPCA	6.93%	126.6	5.3%	-	0.0%	n/a
Investment of assignment of Pilar's shares	100% CDI	-	4.7	0.2%	4.5	0.3%	4.4%
Investment of assignment of Estrela's shares	100% CDI	-	12.3	0.5%	11.3	0.7%	8.8%
Investment of assignment of Moinho Santa Lúcia's shares	100% CDI	-	0.7	0.0%	0.7	0.0%	0.0%
Investment of assignment of Piraquê's shares	100% CDI	-	172.5	7.2%	145.7	8.4%	18.4%
Investment of assignment of Latinex's shares	100% CDI	-	93.2	3.9%	97.2	5.6%	-4.1%
Investment of assignment of Jasmine's shares	100% CDI	-	0.5	0.0%	0.0	0.0%	n/a
Investment of assignment of Las Acacias' shares	100% CDI	-	23.3	1.0%	0.0	0.0%	n/a
Debentures	IPCA	3.7992% and 4.1369%	888.0	37.2%	839.4	48.5%	5.8%
<b>Foreign Currency:</b>			<b>895.3</b>	<b>37.5%</b>	<b>527.5</b>	<b>30.5%</b>	<b>69.7%</b>
Working Capital (Law 4.131) and export	USD	3.04% (1.68% on 06/30/22)	876.4	36.7%	527.5	30.5%	66.1%
Working Capital	UYU	12.07%	18.9	0.8%	0.0	0.0%	n/a
<b>TOTAL</b>			<b>2,385.2</b>	<b>100.0%</b>	<b>1,730.2</b>	<b>100.0%</b>	<b>37.9%</b>

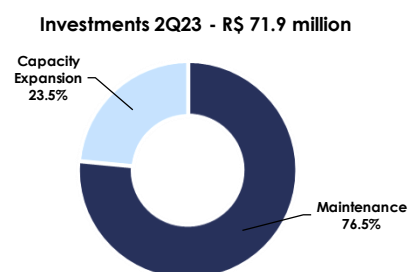
On June 30, 2023, the Company had five swap contracts to hedge working capital financing in foreign currency maturing until December 22, 2025, in which the long leg receives, on average, the dollar plus 3.27% p.a. interest rate, and the short leg pays, on average, CDI plus 0.96% p.a. rate with a notional reference value of R\$921.5 million and fair value payable of R\$136.8 million.

To hedge the debenture issues and working capital indexed to the IPCA, the Company had 43 swap contracts, all of which maturing until March 17, 2031, in which the long leg receives, on average, the IPCA plus 4.35% p.a., and the short leg pays, on average, the CDI plus 0.29% p.a. The notional reference values totaled R\$931.6 million for current contracts, and the gross fair value receivable of all derivative instruments totaled R\$50.8 million on June 30, 2023.

At the end of 2Q23, debentures totaled R\$888.0 million net of the unamortized balance of transaction costs totaling R\$33.8 million.

## INVESTMENTS

Investments (R\$ million)	2Q23	2Q22	Variation	1H23	1H22	Variation
Buildings	11.5	5.8	98.3%	18.8	12.8	46.9%
Machinery and equipment	31.7	27.9	13.6%	51.6	43.0	20.0%
Construction in progress	4.1	5.5	-25.5%	8.4	12.3	-31.7%
Vehicles	0.0	0.1	-100.0%	0.0	0.3	-100.0%
IT Equipment	0.6	2.8	-78.6%	1.3	3.6	-63.9%
Furniture and Fixtures	1.7	2.4	-29.2%	2.8	3.9	-28.2%
Software Use License	22.0	19.9	10.6%	33.3	38.5	-13.5%
Others	0.3	0.4	-25.0%	0.9	0.6	50.0%
<b>Total</b>	<b>71.9</b>	<b>64.8</b>	<b>11.0%</b>	<b>117.1</b>	<b>115.0</b>	<b>1.8%</b>



In 2Q23, investments totaled R\$ 71.9 million (+11.0% vs. 2Q22), distributed between expansion and maintenance. We highlight investments in systems, because of the implementation of the new ERP<sup>1</sup> (Simplifique project).

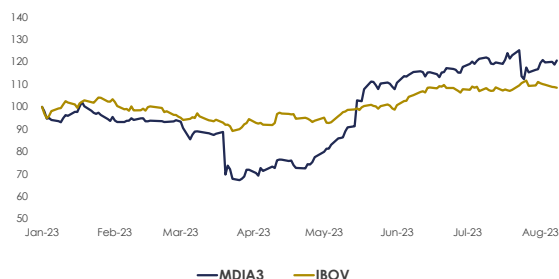
<sup>1</sup> ERP: Enterprise Resource Planning

## CAPITAL MARKET

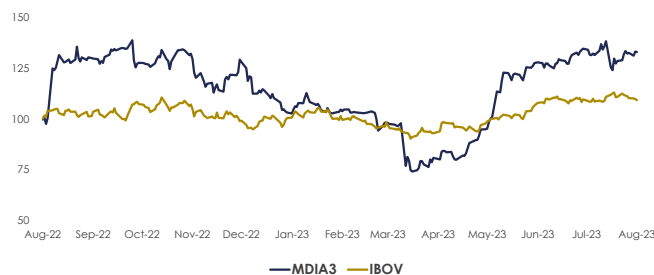
The Company's shares are traded on B3 (Brasil, Bolsa e Balcão) under the ticker MDIA3 and are listed in the Novo Mercado segment. On **June 30, 2023**, there were 66,365,418 outstanding shares, representing 19.6% of the Company's capital stock, priced at **R\$42.57** each, totaling **R\$2,825.2 million**. The average trading volume was **7,414** in 2Q23 (6,948 in 2Q22), and the average daily trading financial volume was **R\$50.9 million** in 2Q23 (R\$35.9 million in 2Q22).

MDIA3 (08/09/2023):  
Stock Price: R\$ 43.03  
Volume: R\$ 26.1 million  
IBOV: 118,409

Performance MDIA3 x IBOV (YTD)  
01/02/2023 – 08/09/2023



Performance MDIA3 x IBOV (12 Months)  
08/09/2022 – 08/09/2023



**MDIA**  
B3 LISTED NM

IBRA B3 IBRX100 B3 ICO2 B3 ICON B3 IGCB3 IGC-NM B3  
IGCT B3 INDX B3 ISE B3 ITAG B3 SMLL B3

MSCI  
ESG RATINGS  
AA  
CCC B BB BBB A AA AAA

## MAIN ADMINISTRATIVE FACTS

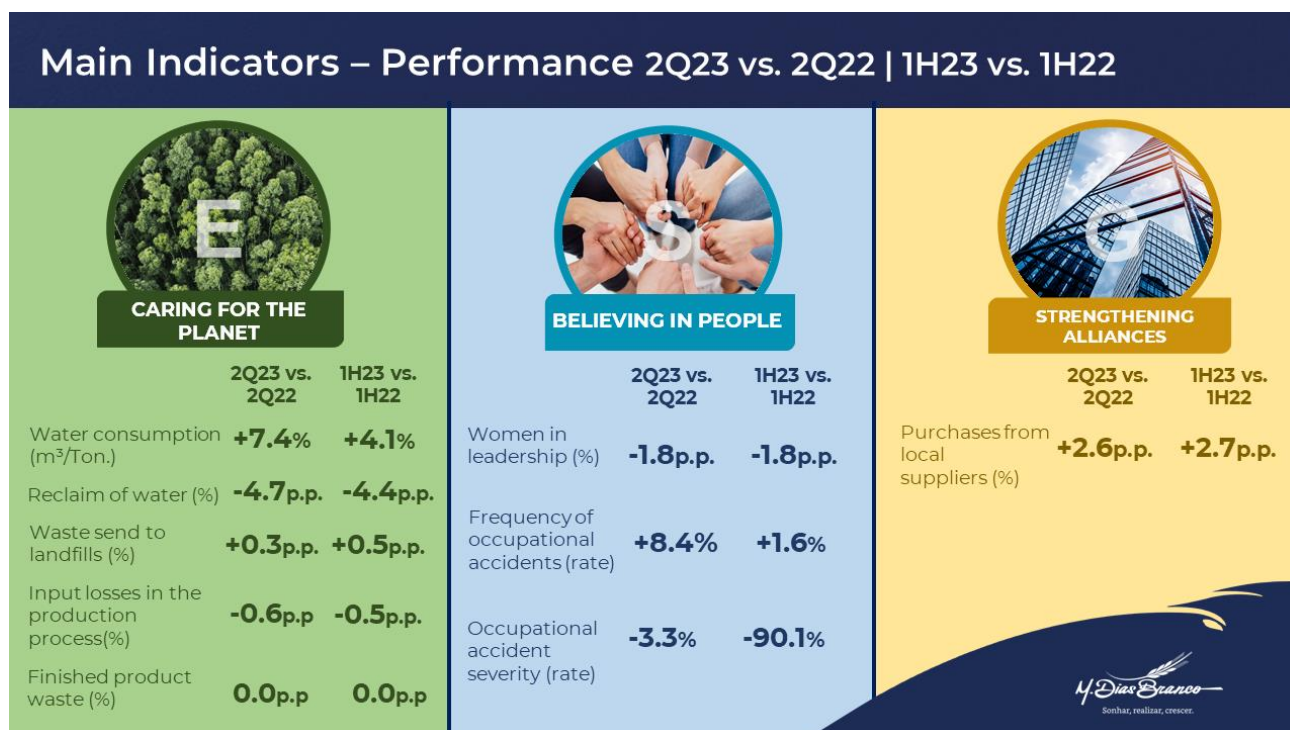
### Approval of the Financial Statements

At the meeting of the Board of Directors held on August 11, 2023, the following was approved: (i) the Interim Financial Information (ITR) for the period ended June 30, 2023; and (ii) other provisions.



## SOCIAL AND ENVIRONMENTAL HIGHLIGHTS

M. Dias Branco has a Strategic Sustainability Agenda with 18 public goals that will be achieved by 2030. These goals address relevant themes for our business and stakeholders, according to the following ESG pillars: Environmental (Caring for the Planet), Social (Believing in People) and Governance (Strengthening Alliances). The performance of public targets can be monitored on the Company's website (<https://mdiasbranco.com.br/en/sustainability-agenda/>). Below are the **main indicators and highlights**<sup>2</sup> of 2Q23 and 1H23.



**Water consumption index:** The increase in this indicator was mainly due to non-routine maintenance activities, including the renovation of reservoirs.

**Water reuse:** The rain season continued to impact this indicator, thus it was not necessary to use reuse water for irrigation and landscaping at the units.

**Waste sent to landfills:** We continue to advance in finding the best use for the waste generated in our operations. The margarine and vegetable shortening unit sent zero waste to landfills. In all, we have three units classified as “zero landfill”.

**Input losses in the production process:** The good performance continues, resulting from the automation and modernization of equipment in specific units, in addition to a product mix that favors a more stable production plan.

**Waste of finished products:** There was no significant variation in this indicator.

**Women in leadership positions:** The negative variation still reflects the promotions of supervisors to management positions in the Commercial area.

**Frequency and severity of occupational accidents:** The number of accidents increased, however, the severity rate dropped and has been maintained below the 10% target for the year.

<sup>2</sup> It should be noted that the indicators do not include the subsidiaries Latinex, Jasmine and Las Acacias, as they are in the integration phase.

**Frequency and severity of occupational accidents:** The number of accidents increased, however, the severity rate dropped and has been maintained below the 10% target for the year.

**Purchases from local suppliers:** The increase was boosted by higher purchases of raw materials from local suppliers.

Below are the main advances of 2Q23:



**M. Dias Branco was recognized in Guia EXAME - Best of ESG 2023 for the second consecutive year.** The Company ranked among the top three players in the Agribusiness, Food and Beverage category, which evaluates good environmental, social and governance practices.



**Training and Fundraising for the Third Sector.**

We promoted two training courses for social institutions that are supported by M. Dias Branco, aimed at developing them to attract investments (sponsorships, donations, financial, and human resources), thus improving the financial self-sufficiency and professionalization of their management.



**Awarded as the best sustainable stands at business fairs.**

We were featured in the APAS 2023 (3rd place) and Naturaltech (Selo Viva Verde trophy) events. Our stands also received seals that prove neutral carbon emissions through the planting of trees.



**Launch of the 'Our 2030 Commitments' podcast series.**

We reinforced the dissemination of M. Dias Branco's Strategic Sustainability Agenda by releasing YouTube videos that address our goals, and the efforts we will undertake to achieve them, in addition to how they relate with the UN Sustainable Development Goals (SDGs).



**International certification in internal audit.**

We received the international Quality Assessment (QA) certification, granted by the Brazilian Institute of Internal Auditors (IIA Brasil), attesting that the Company's internal processes are in line with the most advanced global practices for internal audit.



**Teva Mulheres na Liderança® Index.**

We remain in the portfolio of the Teva Women in Leadership® Index, the first in Brazil to select companies with the highest share of women in governance. We are committed to having 40% of women in leadership positions by 2030.

## FINANCIAL STATEMENTS

Pursuant to CPC 26 – Presentation of Financial Statements, we classify expenses by function in the Income Statement. Depreciation and amortization expenses were included in selling and administrative expenses, and tax expenses were added to other expenses (income), net. For further information, please see note 26 of the Company's Financial Statements.

INCOME STATEMENT (R\$ million)	2Q23	2Q22	Variation	1Q23	Variation	1H23	1H22	Variation
<b>NET REVENUES</b>	<b>2,849.4</b>	<b>2,497.2</b>	<b>14.1%</b>	<b>2,485.5</b>	<b>14.6%</b>	<b>5,334.9</b>	<b>4,387.6</b>	<b>21.6%</b>
<b>COST OF GOODS SOLD</b>	<b>-2,056.3</b>	<b>-1,770.3</b>	<b>16.2%</b>	<b>-1,942.5</b>	<b>5.9%</b>	<b>-3,998.8</b>	<b>-3,278.1</b>	<b>22.0%</b>
<b>TAX INCENTIVES (ICMS)</b>	<b>148.1</b>	<b>129.4</b>	<b>14.5%</b>	<b>131.8</b>	<b>12.4%</b>	<b>279.9</b>	<b>240.0</b>	<b>16.6%</b>
<b>GROSS PROFIT</b>	<b>941.2</b>	<b>856.3</b>	<b>9.9%</b>	<b>674.8</b>	<b>39.5%</b>	<b>1,616.0</b>	<b>1,349.5</b>	<b>19.7%</b>
<b>OPERATING REVENUES (EXPENSES)</b>	<b>-653.2</b>	<b>-573.5</b>	<b>13.9%</b>	<b>-587.9</b>	<b>11.1%</b>	<b>-1,241.1</b>	<b>-1,054.0</b>	<b>17.8%</b>
Sales expenses	-514.4	-445.7	15.4%	-459.0	12.1%	-973.4	-8,816.0	19.3%
Administrative and general expenses	-102.9	-85.1	20.9%	-100.6	2.3%	-203.5	-164.1	24.0%
Other net income (expenses)	-35.9	-42.7	-15.9%	-28.3	26.9%	-64.2	-73.9	-13.1%
<b>OPERATING INCOME BEFORE FINANCIAL RESULTS</b>	<b>288.0</b>	<b>282.8</b>	<b>1.8%</b>	<b>86.9</b>	<b>231.4%</b>	<b>374.9</b>	<b>295.5</b>	<b>26.9%</b>
Financial income	113.0	71.4	58.3%	84.2	34.2%	197.2	204.1	-3.4%
Financial expenses	-168.0	-98.4	70.7%	-142.3	18.1%	-310.3	-264.4	17.4%
<b>OPERATING INCOME AFTER FINANCIAL RESULTS</b>	<b>233.0</b>	<b>255.8</b>	<b>-8.9%</b>	<b>28.8</b>	<b>709.0%</b>	<b>261.8</b>	<b>235.2</b>	<b>11.3%</b>
Equity in net income of subsidiaries	-0.9	-0.5	80.0%	-0.8	12.5%	-1.7	-1.7	0.0%
<b>INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>232.1</b>	<b>255.3</b>	<b>-9.1%</b>	<b>28.0</b>	<b>728.9%</b>	<b>260.1</b>	<b>233.5</b>	<b>11.4%</b>
Income tax and social contribution	-14.2	-21.8	-34.9%	41.9	n/a	27.7	37.8	-26.7%
<b>NET INCOME</b>	<b>217.9</b>	<b>233.5</b>	<b>-6.7%</b>	<b>69.9</b>	<b>211.7%</b>	<b>287.8</b>	<b>271.3</b>	<b>6.1%</b>

BALANCE SHEET (R\$ million)	M. DIAS (Consolidated)				
	6/30/2023	6/30/2022	Variation	12/31/2022	Variation
<b>ASSETS</b>					
<b>CURRENT</b>	<b>5,184.8</b>	<b>4,596.0</b>	<b>12.8%</b>	<b>4,877.0</b>	<b>6.3%</b>
Cash and cash equivalents	1,212.4	602.0	n/a	648.0	87.1%
Linked deposits	5.1	54.1	-90.6%	69.6	-92.7%
Trade accounts receivable	1,820.7	1,502.5	21.2%	1,690.9	7.7%
Inventories	1,798.9	1,999.9	-10.1%	2,111.5	-14.8%
Taxes recoverable	199.3	323.4	-38.4%	234.6	-15.0%
Income tax and social contribution	30.5	20.0	52.5%	28.5	7.0%
Financial investments	17.0	16.6	2.4%	16.6	2.4%
Derivatives financial instruments	22.3	32.1	-30.5%	15.6	42.9%
Prepaid expenses	20.2	16.2	24.7%	14.3	41.3%
Other current assets	58.4	29.2	100.0%	47.4	23.2%
<b>NON CURRENT</b>	<b>6,517.2</b>	<b>5,972.3</b>	<b>9.1%</b>	<b>6,562.5</b>	<b>-0.7%</b>
<b>Long-term</b>	<b>530.5</b>	<b>504.4</b>	<b>5.2%</b>	<b>539.9</b>	<b>-1.7%</b>
Financial investments	1.6	2.1	-23.8%	1.5	6.7%
Judicial deposits	274.8	238.3	15.3%	263.7	4.2%
Long-term receivables	2.4	0.0	n/a	2.9	-17.2%
Taxes recoverable	82.8	156.6	-47.1%	149.6	-44.7%
Income tax and social contribution	44.0	39.8	10.6%	41.9	5.0%
Derivatives financial instruments	32.6	0.0	n/a	0.0	n/a
Indemnity assets	84.2	62.8	34.1%	75.3	11.8%
Other non-current assets	8.1	4.8	68.8%	5.0	62.0%
Investments	60.7	34.2	77.5%	62.5	-2.9%
Investments properties	55.7	55.9	-0.4%	55.6	0.2%
Property, plant and equipment	3,517.2	3,406.5	3.2%	3,547.8	-0.9%
Intangible	2,353.1	1,971.3	19.4%	2,356.7	-0.2%
<b>TOTAL ASSETS</b>	<b>11,702.0</b>	<b>10,568.3</b>	<b>10.7%</b>	<b>11,439.5</b>	<b>2.3%</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>					
<b>CURRENT</b>	<b>2,504.7</b>	<b>1,790.1</b>	<b>39.9%</b>	<b>2,467.4</b>	<b>1.5%</b>
Suppliers	994.6	984.5	1.0%	1,234.6	-19.4%
Financing, borrowings and debentures	792.0	106.9	n/a	561.9	41.0%
Lease	79.0	60.4	30.8%	66.6	18.6%
Social security and labor liabilities	261.0	213.5	22.2%	252.4	3.4%
Tax liabilities	124.2	162.4	-23.5%	125.0	-0.6%
Income tax and social contribution	2.0	1.8	11.1%	1.8	11.1%
Government grant	10.2	24.3	-58.0%	25.0	-59.2%
Derivatives financial instruments	68.9	97.9	-29.6%	54.5	26.4%
Other current liabilities	172.8	138.4	24.9%	145.6	18.7%
<b>NON CURRENT LIABILITIES</b>	<b>2,200.5</b>	<b>2,234.2</b>	<b>-1.5%</b>	<b>2,263.4</b>	<b>-2.8%</b>
Financing, borrowings and debentures	1593.2	1,623.3	-1.9%	1,664.6	-4.3%
Lease	256.7	216.3	18.7%	265.3	-3.2%
Tax liabilities	0.3	0.6	-50.0%	0.5	-40.0%
Deferred taxes	25.7	103.7	-75.2%	37.4	-31.3%
Derivatives financial instruments	90.0	50.5	78.2%	50.7	77.5%
Provisions for civil, labor and tax risks	224.3	217.1	3.3%	225.3	-0.4%
Other non-current liabilities	10.3	22.7	-54.6%	19.6	-47.4%
<b>SHAREHOLDERS' EQUITY</b>	<b>6,996.8</b>	<b>6,544.0</b>	<b>6.9%</b>	<b>6,708.7</b>	<b>4.3%</b>
Capital	2,597.7	2,597.7	0.0%	2,597.7	0.0%
Capital reserves	39.9	34.0	17.4%	39.7	0.5%
Accumulated conversion adjustments	0.1	0.2	-50.0%	0.2	-50.0%
Equity valuation adjustment	-52.1	-63.5	-18.0%	-81.5	-36.1%
Revenue reserves	4,234.0	3,819.1	10.9%	4,233.7	0.0%
(-) Treasury shares	-77.0	-81.1	-5.1%	-81.1	-5.1%
Accrued profit	254.2	237.6	7.0%	0.0	n/a
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>11,702.0</b>	<b>10,568.3</b>	<b>10.7%</b>	<b>11,439.5</b>	<b>2.3%</b>

CASH FLOW (R\$ million)	2Q23	2Q22	Variation	1H23	1H22	Variation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Net income before income tax and social contribution</b>	<b>232.2</b>	<b>255.3</b>	<b>-9.0%</b>	<b>260.2</b>	<b>233.5</b>	<b>11.4%</b>
<b>Adjustments to reconcile net income with cash from operating activities:</b>						
Depreciation and amortization	89.7	74.9	19.8%	177.3	152.3	16.4%
Cost on sale of permanent assets	1.0	0.2	n/a	8.9	1.2	n/a
Equity in net income of subsidiaries	0.9	0.5	80.0%	1.7	1.7	0.0%
Updated financing, debentures and exchange rate variations	3.6	85.3	-95.8%	35.1	29.6	18.6%
Updated financial investment in the long term	0.0	0.0	n/a	-0.1	-0.1	0.0%
Tax credits and updates	-6.5	-20.3	-68.0%	-18.5	-27.5	-32.7%
Updated judicial deposits	-5.0	-3.5	42.9%	-9.2	-6.3	46.0%
Updated provision for civil, labor and tax risks	0.0	0.0	n/a	0.0	0.0	0.0%
Appropriate interest on lease	8.9	5.9	50.8%	17.9	11.8	51.7%
Provision and update for civil, labor and tax risks/others	10.6	8.9	19.1%	22.8	15.2	50.0%
Provision (reversion) for expenses/indemnity assets	-3.0	-3.2	-6.3%	-7.2	-2.4	n/a
Recognized shares granted	3.4	2.6	30.8%	6.3	5.2	21.2%
Provision (reversion) for losses of clients	5.5	7.1	-22.5%	10.6	10.5	1.0%
Estimated losses due to the reduction in the recoverable amount of taxes	0.0	0.0	n/a	0.2	0.0	n/a
Provision for income tax of loans	0.5	0.5	0.0%	1.0	0.8	25.0%
Provision (reversion) for losses in inventories	10.8	5.9	83.1%	12.1	10.1	19.8%
Losses (gains) on derivative contracts	75.3	-15.6	n/a	121.0	93.5	29.4%
Provision (reversion) for impairment of assets	0.0	0.0	n/a	-1.2	0.0	n/a
<b>Changes in assets and liabilities</b>						
(Increase) decrease in linked deposits	25.7	-54.1	n/a	64.5	-54.1	n/a
(Increase) in trade accounts receivable	-268.3	-316.0	-15.1%	-139.9	-74.0	89.1%
(Increase) decrease in inventories	138.3	-580.4	n/a	369.1	-893.5	n/a
(Increase) in financial investments	-0.1	0.1	n/a	-0.4	-0.1	n/a
Decrease in taxes recoverable	64.6	68.2	-5.3%	168.1	186.9	-10.1%
(Increase) decrease in judicial deposits	10.0	14.4	-30.6%	18.2	19.3	-5.7%
(Increase) decrease in prepaid expenses	3.9	4.1	-4.9%	-6.0	-8.3	-27.7%
Decrease in indemnity assets	-1.7	0.0	n/a	-1.2	0.0	n/a
(Increase) decrease in other assets	-0.1	-2.3	-95.7%	-14.1	-10.0	41.0%
Increase in suppliers	178.5	259.5	-31.2%	-276.4	211.1	n/a
(Decrease) in taxes and contributions	-25.6	63.7	n/a	-37.9	6.3	n/a
Increase in social and labor obligations	67.4	52.2	29.1%	8.6	36.6	-76.5%
(Decrease) in provisions for civil, labor and tax risks	-22.5	-21.3	5.6%	-44.0	-36.8	19.6%
Increase (decrease) in government grants	-15.6	11.2	n/a	-14.8	13.5	n/a
(Decrease) in other liabilities	1.7	8.5	-80.0%	16.1	7.5	n/a
<b>Interests paid</b>	<b>-17.4</b>	<b>-14.3</b>	<b>21.7%</b>	<b>-48.1</b>	<b>-20.8</b>	<b>131.3%</b>
<b>Receipts of funds for settlement of derivative transactions</b>	<b>-54.9</b>	<b>-39.8</b>	<b>37.9%</b>	<b>-132.1</b>	<b>-41.0</b>	<b>n/a</b>
<b>Net cash generated from operating activities</b>	<b>511.8</b>	<b>-141.8</b>	<b>n/a</b>	<b>568.6</b>	<b>-128.3</b>	<b>n/a</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>						
Purchase of property, plant, equipment and intangible	-54.1	-47.4	14.1%	-74.8	-77.7	-3.7%
Payment of debt from purchase of company	-8.5	-6.0	41.7%	-31.2	-6.0	n/a
<b>Net cash (used) in investment activities</b>	<b>-62.6</b>	<b>-53.4</b>	<b>17.2%</b>	<b>-106.0</b>	<b>-83.7</b>	<b>26.6%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Dividends paid	-16.8	-16.8	0.0%	-33.6	-621.9	-94.6%
Financing obtained	48.6	0.0	n/a	206.7	0.0	n/a
Payment of financing	-21.8	-18.6	17.2%	-33.4	-59.2	-43.6%
Acquisition of treasury shares	0.0	0.0	n/a	0.0	-36.6	-100.0%
Lease payments	-20.5	-13.0	57.7%	-37.7	-24.2	55.8%
<b>Net cash used in financing activities</b>	<b>-10.5</b>	<b>-48.4</b>	<b>-78.3%</b>	<b>102.0</b>	<b>-741.9</b>	<b>n/a</b>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0%</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0%</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>438.5</b>	<b>-243.6</b>	<b>n/a</b>	<b>564.4</b>	<b>-953.9</b>	<b>n/a</b>
At the start of the period	773.9	845.6	-8.5%	648.0	1,555.9	-58.4%
At the end of the period	1,212.4	602.0	101.4%	1,212.4	602.0	n/a
<b>Increase (decrease) in cash and cash equivalents</b>	<b>438.5</b>	<b>-243.6</b>	<b>n/a</b>	<b>564.4</b>	<b>-953.9</b>	<b>n/a</b>

The statements contained in this document related to the business prospects, projected operating and financial results and growth outlook of M. Dias Branco are merely forecasts and, as such, are based exclusively on the expectations of Management as to the future of the business. These expectations substantially depend on changes in market conditions, the performance of the Brazilian economy, as well as the sector and the international markets, and are thus subject to changes without prior notice.